



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
TRIMBLE COUNTY CLERK**

Calendar Year 2000

**EDWARD B. HATCHETT, JR.
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE TRIMBLE COUNTY CLERK

December 31, 2000

On April 24, 2001, fieldwork was completed on the December 31, 2000 Trimble County Clerk fee audit. An unqualified opinion was rendered on the financial statement. There were no reportable conditions or comments relating to the audit of the financial statements.

Deposits:

The County Clerk's deposits were fully insured or collateralized as of December 31, 2000.

Grant Agreements:

The County Clerk received two local records grants totaling \$8,800 from the Kentucky Department for Libraries and Archives. There was \$745 remaining as of December 31, 2000.

Fee Account Financial Position:

Adequate funds were available to pay all obligations for the 2000 calendar year.

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EDWARD B. HATCHETT, JR.
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To the People of Kentucky

Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Ray Clem, Trimble County Judge/Executive
Honorable Jerry Powell, Trimble County Clerk
Members of the Trimble County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Clerk of Trimble County, Kentucky, for the year ended December 31, 2000. This financial statement is the responsibility of the County Clerk. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Clerk's office prepares the financial statement on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Clerk for the year ended December 31, 2000, in conformity with the basis of accounting described above.

To the People of Kentucky
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In accordance with Government Auditing Standards, we have also issued a report dated April 24, 2001, on our consideration of the County Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,

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Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
April 24, 2001

TRIMBLE COUNTY
JERRY POWELL, COUNTY CLERK
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 2000

Receipts

State Grants - Library and Archives	\$	8,800
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State Fees For Services		917
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Fiscal Court		5,662
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Licenses and Taxes:

Motor Vehicle-

Licenses and Transfers	\$	164,230
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Usage Tax		564,791
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Tangible Personal Property Tax		456,299
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Licenses-

Marriage		3,139
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Occupational		158
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Deed Transfer Tax		15,611
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Delinquent Tax	12,971	1,217,199
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Fees Collected for Services:

Recordings-

Deeds, Easements, and Contracts	\$	7,947
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Real Estate Mortgages		15,540
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Chattel Mortgages and Financing Statements		27,142
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Powers of Attorney		821
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All Other Recordings		14,135
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Charges for Other Services-

Candidate Filing Fees		280
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Copywork	2,238	68,103
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Other:

Miscellaneous	\$	751
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Refunds and Overpayments	858	1,609
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Interest Earned		1,411
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Gross Receipts	\$	1,303,701
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TRIMBLE COUNTY
 JERRY POWELL, COUNTY CLERK
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 Calendar Year 2000
 (Continued)

Disbursements

Payments to State:

Motor Vehicle-

Licenses and Transfers \$ 119,428

Usage Tax 547,149

Tangible Personal Property Tax 174,628

Licenses-

Delinquent Tax 1,682

Legal Process Tax 9,357 \$ 852,244

Payments to Fiscal Court:

Tangible Personal Property Tax \$ 31,143

Delinquent Tax 910

Deed Transfer Tax 14,830

Occupational Licenses 122 47,005

Payments to Other Districts:

Tangible Personal Property Tax \$ 232,128

Delinquent Tax 6,834 238,962

Payments to Sheriff

268

Payments to County Attorney

1,933

Library and Archives Grant

8,800

Operating Disbursements and Capital Outlay:

Personnel Services-

Deputies Salaries \$ 68,707

Materials and Supplies-

Office Supplies 904

TRIMBLE COUNTY
 JERRY POWELL, COUNTY CLERK
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 Calendar Year 2000
 (Continued)

Disbursements (Continued)

Operating Disbursements and Capital Outlay:
 (Continued)

Other Charges-			
Conventions and Travel	\$	1,949	
Dues		350	
Postage		3,063	
Refunds		4,025	
Capital Outlay-			
Office Equipment		1,975	
Vehicle		4,076	
		<u>4,076</u>	\$ 85,049
Total Disbursements			<u>\$ 1,234,261</u>
Net Receipts			\$ 69,440
Less: Statutory Maximum	\$	55,070	
Incentive Pay		<u>1,394</u>	<u>56,464</u>
Excess Fees			\$ 12,976
Less: Expense Allowance			<u>3,600</u>
Excess Fees Due County for Calendar Year 2000			\$ 9,376
Payments to County Treasurer - February 13, 2001	\$	9,283	
March 6, 2001		<u>93</u>	<u>9,376</u>
Balance Due at Completion of Audit			<u><u>\$ 0</u></u>

The accompanying notes are an integral part of the financial statement.

TRIMBLE COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2000

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2000

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Clerk's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent.

TRIMBLE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2000
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The County Clerk maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 64.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the County Clerk and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2000, the County Clerk's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the County Clerk's agent in the County Clerk's name, or provided surety bond which named the County Clerk as beneficiary/obligee on the bond.

Note 4. Grants

The County Clerk received two local records microfilming grants from the Kentucky Department for Libraries and Archives.

- A. The Clerk received \$1,882 and disbursed \$1882, with a balance of \$628 as of December 31, 2000.
- B. The Clerk received \$6,918 and disbursed \$6,918, with a balance of \$127 as of December 31, 2000.

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REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



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Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

We have audited the Trimble County Clerk for the year ended December 31, 2000, and have issued our report thereon dated April 24, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Trimble County Clerk's financial statement for the year ended December 31, 2000, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trimble County Clerk's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
April 24, 2001

